

# Defense Contract Management Command



## SINGLE PROCESS INITIATIVE

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# *Agenda*

- Program Status
- Update - Canceled Specs/Std's and New Procurements Issue
- What Now?
- Summary



# *Program Status*

	<u>1 Year Ago</u>	<u>Now</u>	<u>% +/-</u>
Contractors	69	206	198%
Processes Sub'd	264	977	270%
Processes Mod'd	57	510	794%
Avg Cycle Time	95	135	42%
Cost Savings	\$5.9m	\$7.5m	27%
Annual Cost Avoidance	\$19m* *9 months ago	\$75m	295%



## *Cancelled Specs/New Procurements*

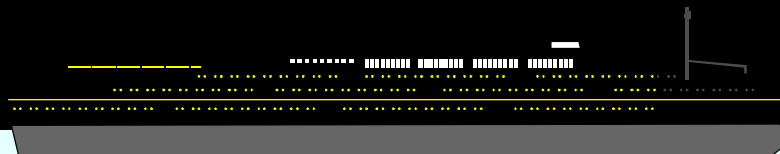
- After a year of success in implementing common facility-wide processes...
  - Contractors encountered obstacles to using approved SPIs on new contracts
  - DoD faced the possibility of undoing the progress made under SPI
- Communications IPT formed with Services, DCAA, DCMC and NASA
- Proposed DFARS case and USD(A&T)



# *Sample of 300 Contracts*

- Several contractors participating in SPI
- Contracts from 15 buying activities (all Services and DLA) in our sample
- 1 contract in our sample had 15 cancelled

300 Sampled  
Contracts just the tip  
of the iceberg



Data collected informally in a short  
period of time from only 12 contract  
administration offices





# *Solution*

PDUSD(A&T) Policy Memo Signed 30 Apr 97

DoD Will Accept Previously Accepted SPI

- Suitable Substitutes for Solicitation Specs/Std  
Exceptions Must Be Granted by Head of  
Contracting Activity/Program Executive Officer
- Source Selection Officials Ensure Compliance  
Director, Defense Procurement to Promulgate  
Interim DFARS Rule



# ***What Now?***

## **Focus Attention & Metrics**

*Track cost savings and avoidance*

*Track progress of concept papers*

## **Increase Contractor Participation**

*34 of Top200 representing  
68% of Top Defense  
Contractor Sales*

*Target Top 200*

## **Target High-Payback Processes**

*Go for Innovations  
Go for Big \$\$*

*Primes may substitute  
subs' accepted SPLs*

*Industry Associations helping*

*Ideal forum for fostering  
process improvements  
and managing initiatives*

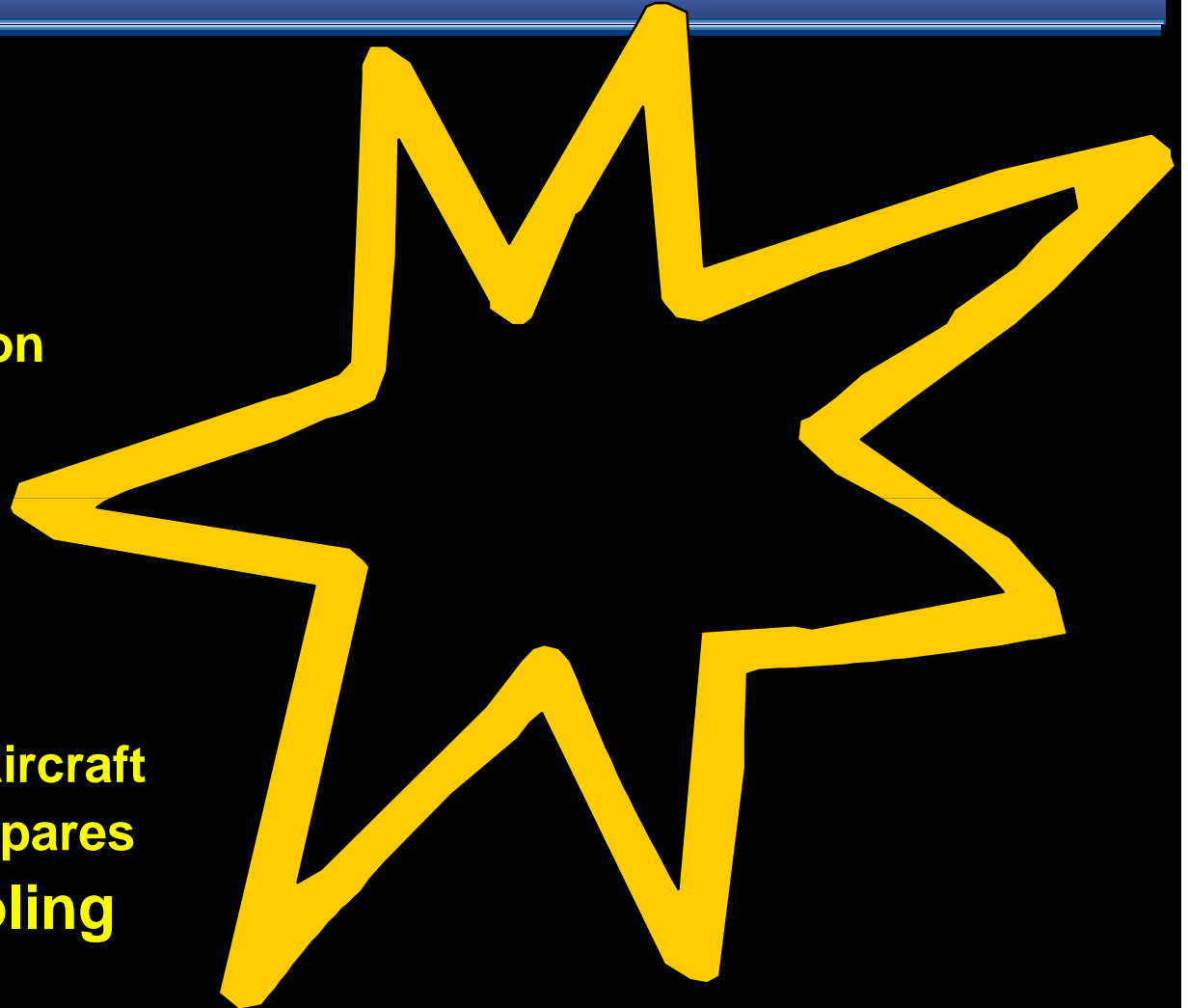
## **Increase Supplier Involvement**

## **Expand Management Council Role**



## ***SPI Recent Success***

- **Improves**
  - Cycle Time
  - Quality
  - Standardization
  - Management
  - Performance
- **Reduces**
  - Inventory
  - Weight
  - Unit Cost of Aircraft
  - Unit Cost of Spares
- **Eliminates Tooling**



**McDonnell Douglas Helicopter Systems, Mesa, AZ**  
**Wiring Harness SPI - Apache Longbow**





## ***In Summary...***

**Working to Remove  
Barriers and Increase  
Participation**

**Still a lot on the Horizon...  
Innovations and High  
Payback Processes**

**SPI is a Means to Impact  
Systems Affordability!**